

**Yee, Alan**

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From: Yee, Alan  
Sent: Thursday, November 29, 2001 5:39 PM  
To: Hanada, Howard  
Subject: RE: SSH

Howard-I did do research on what the IRS would accept as FMV short of doing an appraisal. Rejected offers by the seller alone is not good enough since presumably they feel its worth more and they are holding out for a higher offer. This is substantiated by the fact that the list price is generally higher and I think Satoshi is going to provide us with this. Once we get the list price, FMV is somewhere in between and this is where if Colliers can provide us with other supporting data, we could probably determine a reasonable value. The FMV issue is greater if SSH is sold to a Kinoshita group since related as opposed to an unrelated third party. The one thing I was curious about is if Frank finds a unrelated buyer, do they owe Colliers a commission.

Alan

-----Original Message-----

From: Hanada, Howard  
Sent: Thursday, November 29, 2001 2:15 PM  
To: A Yee (E-mail)  
Subject: SSH

Based on the information provided by client, what do you think of the following FMVs?

- Mililani Golf Course: \$8M
- Pukalani (all property): \$8M
- Kiahuna (all property): \$7.5M
- Ocean Resort Hotel: \$8M (lease hold property)

All of the proposals are post September 11

GT009145

**EXHIBIT 18**



**SPORTS SHINKO (HAWAII) CO., LTD.**

November 28, 2001

To: Mr. Howard Hanada  
Partner, Grant Thornton, LLC

From: Satoshi Kinoshita

Re: Offering history of Sports Shinko Assets

Dear Mr. Howard Hanada:

→ I wish to thank you for supporting Sports Shinko.

I was asked from counsel Mukai to make list of offer for company's properties yesterday. Please find the list with this letter.

I should apologize that I tool to complete until today. I should have brought to you yesterday.

Very truly yours,

*Satoshi Kinoshita*  
Satoshi Kinoshita  
Executive Vice President

cc. Mr. Yee, Tax Specialist, Grant Thornton  
Mr. Franklin Mukai, Esq.

GT009208

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2001/11/28

Mr. Howard Hanada

List of offer

Mililani Golf Club

- 1) 8 million dollars By Mr. Allred, November 15, 2001, exhibit 1

Pukalani Country Club

- 1) 6.5 million dollars except Sewage Treatment Plant By Mr. Allred, October 1, 2001, exhibit 2
- 2) 7.5 million dollars By Mr. Dowling, October 23, 2001, exhibit 3
- 3) 6.3 million dollars for golf course and the 6<sup>th</sup> fairway parcel, By Mr. Dowling, November 6, 2001, exhibit 4
- 4) 8 million dollars By Mr. Allred, November 15, 2001, exhibit 1
- 5) 11 million dollars By Mr. Smith, He once accepted to raise price to 11.5 million dollars, but he finally withdraw on November 15, 2001, exhibit 5

Kiahuna Golf Club

- 1) 5 million dollars for residential land only By Silagi Development, October 8, 2001, exhibit 6
- 2) 7.5 million dollars By Mr. Dowling, October 23, 2001, exhibit 3
- 3) 3 million dollars for golf course and land for additional 9-hole, By Mr. Allred, November 15, 2001, exhibit 1, 7

Queen Kapiolani Hotel

There is no offer to purchase Queen Kapiolani Hotel.

Ocean Resort Hotel Waikiki

- 1) 13.5 million dollars (include land 26 million dollars), by LaeRoc Partners, September 10, 2001, exhibit 8
- 2) 8.5 million dollars (include land 21 million dollars), by LaeRoc Partners, September 20, 2001, exhibit 9

Estimate of Colliers, exhibit 10

GT009209

Subject: FW: Sports Shinko  
To: <Satoshi@sportsshinkohawaii.com>

Exhibit 1

Dr. Kinoshita,

After your review of Mr. Mitchell's email, please call me to discuss.

Doug.

-----Original Message-----

**From:** Scott L. Mitchell  
**Sent:** Thursday, November 15, 2001 4:30 PM  
**To:** Douglas A. Pothul  
**Subject:** Sports Shinko

Doug,

As you know, Kent Smith withdrew his offer for Pukalani today (please see letter of withdrawal for further reasons).

I think it is important that we step back at this time and take a hard look at where we are in terms of interest on the courses. At this time we have the Ron Allred offers and the offer from Moshe Silagi.

Both of these parties are financially capable of closing the transactions and neither is dependant on other sources of funding. Allred recently sold his entire interest in Telluride ski resort to Morita family (Sony). He has the cash, but you kshould know that he is looking at many properties and if we do not reach a deal quickly, he will go somewhere else with his money.

**Pukalani Country Club:**

Allred has submitted an offer on Pukalani of \$8,000,000.00 cash, no contingencies, no financing requirement and a closing date of December 17th.

**Kiahuna Country Club:**

Allred has submitted a \$3,000,000.00 offer for the golf course and the 9-hole expansion parcel.

Moshe Silagi has submitted a \$5,000,000.00 offer for all other development parcels, but no golf course parcels

**Mililani Country Club:**

Allred has submitted an \$8,000,000.00 contingent offer subject to due diligence on Mililani Country Club.

Total consideration offered at this time for all courses and all the development lands is \$24,000,000.00.

The price for Mililani is a guess on his behalf, because he has not seen current financials. As we have been discussing, there are virtually no other golf course buyers in the marketplace at this time. This may be our only remaining opportunity to close quickly and I believe we should seriously consider this fact because economically, next year is going to be a very tough year for Hawaii companies.

I believe we need to take these offers seriously.

GT009210

Satoshi Kinoshita <satoshi@sportsshinkohawaii.com> の印刷

2001/11/28



Scott L. Mitchell (B) EVP  
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GT009211

Satoshi Kinoshita <satoshi@sportsshinkohawaii.com> の印刷

2001/11/28

SS Hawaii  
3 alt  
① Mgt Co

11/28/01

② Kiuishi Group  
③ Unrelated 3rd party

Super charge 382 sent to FM.

Optim buy back only for 2 hotels  
& golf course. No development  
property.

VS owing bal -\$50,000

GT009237